

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 SWF-01 AID-05 CEA-01 CIAE-00 COME-00

EB-04 FRB-01 INR-05 NSAE-00 RSC-01 CIEP-01 SP-02

STR-01 TRSE-00 LAB-01 SIL-01 SAM-01 OMB-01 EA-06

IO-10 NEA-06 OPIC-03 /064 W  
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R 141908Z NOV 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 6290

INFO USMISSION OECD PARIS

USMISSION EC BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY LUXEMBOURG

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E.O. 11652: N/A

TAGS: EFIN, OECD, GW

SUBJECT: INVESTMENT/MNE EXERCISE IN OECD EXECUTIVE  
COMMITTEE IN SPECIAL SESSION (XCSS)

REF: A. STATE 244178; B. CE(74)15

1. SUMMARY: EMBOFFS DISCUSSED REFTEL WITH VON DEWITZ  
OF ECONMIN WHO PROMISED HE WOULD PASS ON POINTS OF  
DEPT POLICY TO DELEGATION HEAD STEEG. VON DEWUTZ  
HE STATED THAT FRG WOULD INITIALLY SUPPORT MORE  
RIGID NATIONAL TREATMENT LANGUAGE (1B, 8B) BUT  
WAS PREPARED TO SETTLE FOR CONSIDERABLY WEAKER  
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LANGUAGE (1A,8A) SHOULD EXPECTED OBJECTIONS  
FROM OTHER MEMBER NATIONS APPEAR TO BE DETERMINED.

HE AGREED THERE WAS NEED FOR FRESH MANDATE FOR

INVESTMENT EXPERTS; HOWEVER HE LINKED THIS MANDATE TO ESTABLISHMENT OF MORE FORMAL STATUS FOR THE EXPERTS GROUP. HE SAID THAT GERMANS WOULD PUSH FOR THE ESTABLISHMENT OF A COMMITTEE UNDER EITHER THE COUNCIL OR THE XCSS, WHICH WOULD CONTINUE THE WORK OF THE EXPERTS GROUP. END SUMMARY

2. VON DEWITZ, ECONMIN DIRECTOR OF THE OFFICE OF INVESTMENT AFFAIRS, REVIEWED WITH EMBOFFS ON 14 NOV DEPT'S POLICY ON INVESTMENT/MNE EXERCISE OF XCSS CONTAINED REFTEL. HE STATED THAT BASIC GERMAN POSITION ON NATIONAL TREATMENT REMAINED UNCHANGED. HE ADDED THAT FRG WAS NOW PREPARED TO COMPROMISE ON PARAGRAPHS 1 AND 8 HOWEVER, IN ORDER TO REACH AN AGREEMENT. WHILE GENERALLY IN AGREEMENT WITH SUGGESTED COMPROMISE LANGUAGE ON NATIONAL TREATMENT (1B, 8A) HE WAS OF THE OPINION THAT IT WOULD STILL STRIKE SOME OECD MEMBERS, SPECIFICALLY CANADA AND AUSTRALIA, AS TOO RIGID AND APT TO PREVENT AN AGREEMENT BEING REACHED. HE STATED THAT THE GERMANS WERE PREPARED TO ACCEPT WEAKER FORMULATIONS NOW IN ORDER TO REACH AN ACCORD WITH THE HOPE THAT THE PROVISIONS MIGHT BE TIGHTENED UP AT SOME FUTURE DATE. HE THOUGHT ACTUAL DIFFERENCE BETWEEN 1B AND 8A AND 1A AND 8A WAS ONLY "EYE-WASH".

3. VON DEWITZ AGREED THERE SHOULD BE A NEW MANDATE FOR THE EXPERTS GROUP. IN CONJUNCTION WITH THIS NEW MANDATE, THE FRG WILL PROPOSE THAT GROUP'S CHARACTER BE CHANGED FROM AN "EXPERTS GROUP" TO A STANDING COMMITTEE OF EITHER THE COUNCIL OR THE XCSS. HE AGREED THAT EVEN THOUGH THE WORK WOULD BE DONE BY THE SAME PEOPLE, THE MORE FORMAL STATUS OF THE GROUP MIGHT PROMPT GREATER INTEREST BY SAME DELEGATIONS (I.E. FRANCE).

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4. TAKING UP THE REF B DOCUMENT VON DEWITZ POINTED OUT TWO AREAS WHICH WERE CAUSING THE GERMANS DIFFICULTIES. IN PARA 12 HE FELT THAT THE WORDING WAS TOO BROAD AND SUBJECT TO MISINTERPRETATION. AS THE PARAGRAPH NOW READS IT COULD INTERFERE WITH COMPLETELY DOMESTIC INVESTMENT. ALSO PARA 39 PRESENTS PROBLEMS IN IMPLEMENTATION. UNDER PRESENT GERMAN LAW IT WOULD BE DIFFICULT TO OBTAIN MUCH OF THE INFORMATION REQUIRED BY A HARMONIZED STATISTICAL SYSTEM. THE GERMANS WOULD PREFER TO

LIMIT THEMSELVES TO A "BEST EFFORTS" PLEDGE.  
HILLENBRAND

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## Message Attributes

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